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C O N F I D E N T I A L SECTION 01 OF 03 MANILA 004776

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SUBJECT: NEW GOVERNOR IN MUSLIM REGION IN MINDANAO SWORN IN

REF: A. MANILA 4224

[B](#). MANILA 3726

[C](#). MANILA 3710

[D](#). MANILA 3116

Classified By: Political Officer Stephen Worobec
for reasons 1.4 (b) and (d).

[1](#)1. (C) Summary. Newly elected Autonomous Region of Muslim Mindanao (ARMM) Governor Zaldy Ampatuan was sworn into office on September 30 by Executive Secretary Eduardo Ermita. Conspicuously absent from the inaugural ceremony were outgoing ARMM Governor Dr. Parouk Hussin, and Cotabato City Mayor Muslimin Sema, both of whom are senior members of the Moro National Liberation Front (MNLF). During his inaugural speech, Ampatuan expressed his support for the peace process in Mindanao and promised a more efficient, transparent, and accountable ARMM administration that would promote economic development, provide security, and improve social services. Executive Secretary Ermita delivered a message from Malacanang that the nation and international community would all be watching whether new ARMM officials made good on these promises. Doing so will require all of the political and financial muscle that Zaldy's father, Andal "Andy" Ampatuan Sr., and the Arroyo Administration can provide. At a well staged media event held in Malacanang Palace on October 6, President Arroyo administered a second oath of office to Zaldy and other ARMM officials. End Summary.

A Royal Family

[1](#)2. (SBU) On September 30, USAID-Philippines director, USAID Growth with Equity in Mindanao (GEM) program manager, and poloff attended a filled-to-capacity inaugural ceremony for ARMM Governor elect Zaldy Uy "Puti" Ampatuan, Vice-Governor elect Ansaruddin "Hooky" Adiong, and 24 Regional Assemblymen at the Shariff Kabunsuan Cultural Complex in Cotabato City. The details of the circumstances of the ceremony provide fascinating glimpses into the political dynamics in the ARMM. According to the "ARMM Gazette" - the first issue of which was distributed at the inaugural - the Ampatuan family traces its lineage to both native and foreign leaders. Zaldy Ampatuan's paternal grandfather, Shariff Aguak, was the great grandson of Shariff Saidona Mustapha who descended from Arab rulers, Shariff Jainal Abedin of the Malaya Sultanate of Johor, and Muhammad Issa, the great, great grandchild of the Prophet Muhammad. On the maternal side, Zaldy traces his roots to the Rajah Buayen royalty, the Sultan of Kabuntalan, and 20th century local Muslim (Chinese) ruler, Piang Tan.

Guests of Honor

[1](#)3. (C) Seated on center stage with Governor Ampatuan and Vice-Governor Adiong were GRP Executive Secretary Eduardo Ermita, Armed Forces of the Philippines (AFP) Southcom Commander Edilberto P. Adan, Congressman Simeon A. Datumanong, House Speaker Gerry Salapuddin, Regional Assemblyman for Basilan Province Hatimil Hassan, Secretary-General of the National Anti-Poverty Commission

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Zamzamin Ampatuan, the Charge d' Affaires of the Indonesian Embassy, and the Malaysian, Libyan, and United Arab Emirates ambassadors to the Philippines.

The Big Four

[1](#)4. (SBU) Among the other guests of honor were three key members of the political bloc that supported Zaldy Ampatuan during the August 8 ARMM election: Basilan governor Wahab Akbar; Tawi-Tawi Governor Sadikul Sahali; and Sulu Governor Benjamin Loong. (Note: According to an Embassy contact, former Abu Sayyaf founder/member Wahab Akbar is the closest of the three governors to the Ampatuan family. Akbar allegedly "owns" the majority of mayors in Basilan Province, and as the most powerful figure in Basilan Province was instrumental in "delivering" the vote for President Arroyo during the May 2004 election. End note.)

15. (SBU) The remaining member of the "Big Four" - Andal "Andy" Ampatuan Sr., Zaldy's father, the governor of Maguindanao, and the patriarch of the Ampatuan clan - was the last guest of honor to enter the inaugural hall. He made his way down the aisle wearing sunglasses, surrounded by an entourage of bodyguards and a swarm of media. After taking his seat near his son on center stage, Andy removed his sunglasses in a gesture which seemed to indicate that the inaugural ceremony - delayed for over one hour - could begin and so it did.

Hussin and Sema Take a Rain Check

16. (SBU) Conspicuously absent from the event - originally billed as a turnover and inaugural ceremony - were outgoing ARMM Governor Parouk Hussin, and Cotabato City Mayor Muslimin Sema, both of whom are senior MNLF members. Hussin has made no secret of his displeasure with the GRP for its failure to implement fully the 1996 GRP-MNLF Peace Agreement, provide adequate funding for the development of the ARMM, and endorse MNLF candidates during the August 8 elections. During several speeches over the past month, Hussin criticized the results of the ARMM election by mentioning allegations of widespread electoral fraud.

Zaldy Lays Out His Agenda

17. (SBU) "Development" appears to be the operative word for Governor Ampatuan, for he repeated it during his inaugural speech no less than a dozen times. While doing so, he expressed his support for the peace process in Mindanao and promised to restore trust and confidence in the ARMM through a more efficient, transparent, and accountable administration. Among the public services that Zaldy promised to improve were security, stimulation and regulation of business activities, protection of domestic entrepreneurs, and the provision of education, hospitalization, and housing for the underprivileged.

18. (SBU) The only issue Zaldy addressed with any specifics was the crisis currently facing the Government Service Insurance System (GSIS). Zaldy said that he intended to settle this crisis within his first 100 days in office. (Note. According to press accounts, the House Committee on Good Government recently issued subpoenas to officials of the ARMM Department of Education, ARMM Commission on Audit, and the Land Bank of the Philippines in Cotabato City to produce documents relative to the non-remittance of an estimated 968.7 million pesos or \$17,256,684 US dollars - inclusive of interest - of compulsory teachers' contributions to the GSIS during the period of 1997-2003. Since the subpoenaed officials failed to produce these documents, the House Committee has threatened to cite them for contempt. Among the allegations related to this GSIS scandal is that 283.2 million pesos or \$5,030,303 US dollars of funds from the ARMM's Department of Education were illegally disbursed through the Cotabato City branch of the Land Bank of the Philippines. End Note.)

Message from Malacanang

19. (SBU) Executive Secretary Eduardo Ermita noted during his speech that the foreign diplomatic community, international aid agencies, Organization of Islamic Conference (OIC) countries, MNLF, MILF, GRP, and general populace would all be watching whether the new ARMM administration made good on its promises. Several of Ermita's remarks intimated that Andy Ampatuan would be playing an important role in his son's governorship. After referring to Andy as "the source of strength for Mindanao," Ermita said that Andy "will be at your side to be sure that you succeed." Other themes of Ermita's speech were the importance of rule of law, fiscal responsibility, good governance, and full implementation of the 1996 GRP-MNLF Peace Agreement. Ermita also stressed the necessity for the new ARMM leadership to work closely with GRP officials in Manila for budgetary support.

Zaldy Takes the Oath Again

110. (SBU) On October 6, USAID-Philippines director and poloff attended a second swearing-in ceremony for ARMM Governor Ampatuan, Vice-Governor Adiong, and the Regional Assemblymen that was held at the Malacanang Palace. President Arroyo administered the oath of office and used the event to push her national agenda, including passage of an anti-terror bill.

Comment

11. (C) In the wake of the GSIS scandal and the chronic crisis of confidence facing the ARMM, Governor Zaldy Ampatuan has considerable house cleaning to do if he is to reform a bloated ARMM bureaucracy plagued by inefficiency, nepotism, graft, and corruption. Although Ampatuan appears to understand that the economic development of the ARMM through commerce, tourism, and investment hinges on peace, security, and stability, long-standing tensions exist between the traditional ruling elite represented by the Ampatuan clan and the MNLF and MILF in a society where rido (clan conflict) remains an accepted way of settling differences. Other looming issues are the continued Abu Sayyaf Group and Jemaah Islamiyah presence and the contentious problem of who exactly will control and reap the profits from natural resources, e.g., minerals, natural gas, and petroleum, within the ARMM.

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